

**MINUTES OF REGULAR MEETING
ILLINOIS GAMING BOARD
MAY 16, 1995
CHICAGO, ILLINOIS**

A Regular Meeting of the Illinois Gaming Board was held on May 16, 1995 in the auditorium on the 5th floor of the State of Illinois Building, Chicago, Illinois pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

The following Board Members were present: J. Thomas Johnson, Chairman; and Members William B. Browder, Gayl S. Pyatt, J. William Roberts and Robert F. Vickrey.

Also in attendance were: Administrator Michael A. Belletire, Deputy Administrators Joseph C. Haughey and Thomas Swoik, William O'Connor Legal Counsel to the Board, other members of the staff, the media, the general public and interested parties.

Chairman Johnson called the meeting to order at 9:30 a.m. and the Board immediately adjourned to Closed Session pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act, to discuss the following subject matters:

1. Issues Concerning Applicants and Licensees
2. Recommendations of Administrative Law Judges
3. Pending and Probable Litigation Matters
4. Personnel Matters
5. Closed Session Minutes

The motion was approved unanimously by voice vote and the Board retired to Closed Session at 9:32 a.m.

The Illinois Gaming Board reconvened in Open Session at 12:26 p.m.

Member Browder moved that the minutes from the open session of the Regular Meeting of April 25, 1995 be approved. Member Pyatt seconded the motion. The motion was held over for the next Board meeting for two technical changes.

The Administrator reported that the April statistics reflected the second highest monthly Adjusted Gross Revenue ("AGR") total in Illinois since the inception of riverboat gambling. The AGR was \$1 million below the March total (\$100 million). He stated that the AGR continues to be sluggish for two riverboats, the Casino Rock Island and the Silver Eagle, each facing intense competition with the Iowa riverboats. The Administrator reported that he wrote to three licensees about credit issuance and the amount in arrears. He further stated that one unsuccessful bidder on the contract for compulsive gaming consulting services has filed a protest.

The Administrator reported that Dave Parker (ISP) was assigned to the IGB as an investigative expert in financial and audit matters and that M/Sgt. Odell Thompson (ISP) joined the enforcement staff as a Squad Supervisor.

The next order of business was Items Concerning Owner Licensees.

Mr. David Belding, a partner with the Nevada Landing Partnership, appeared and requested approval for the planned merger between the Nevada Landings Partnership and Circus Circus. Mr. Belding presented a brief summary of the proposed merger and introduced officials from Circus Circus who were present to answer questions from the Board.

Member Roberts moved that the Board approve the transfer of the ownership interest of David Belding in Goldstrike Investments, of Michael Ensign in M.S.E. Investments, of Peter Simon in Diamond Gold Incorporated and of William Richardson in Last Chance Investments to Circus Circus Enterprises. Member Pyatt seconded the motion. The motion was approved unanimously by voice vote.

Mr. Richard Knight, V.P. and CEO of Hollywood Casino-Aurora, Inc., requested approval on the proposed redevelopment of the Aurora Civic Center property in downtown Aurora. The project entails improvements to an existing kitchen and dining area of the Civic Center Building and, construction of a 500 car parking facility.

Member Pyatt moved that the Board approve the long-term capital lease entered into by Hollywood Casino-Aurora with regard to the redevelopment of North Island Center in Aurora. However, in doing so, this Board should not express an opinion as to Hollywood's financial ability to meet its obligations under this lease agreement and furthermore, the Board notes that in approving this transaction it does not become a party to the lease agreement and that no person may seek recourse against the state based upon this action taken by the Board or future actions the Board may take with regard to the licensure of Hollywood Casino-Aurora. Member Browder seconded the motion. The motion was approved unanimously by voice vote.

Mr. John Janicik, representing Par-A-Dice Gaming Corporation, requested approval for an expansion of the number of authorized gaming positions on the Par-A-Dice riverboat. He advised that remodeling will allow Par-A-Dice to increase the currently authorized 959 positions to 1005 gaming positions. He further requested that the Board waive the two meeting rule.

Member Vickrey moved that the Board suspend the two meeting rule to consider Par-A-Dice Gaming Corporations request. Member Pyatt seconded the motion. The motion was approved unanimously by voice vote.

Member Vickrey moved that the Board approve Par-A-Dice Gaming Corporation's request to increase the number of gaming positions on the Par-A-Dice

Riverboat, subject to approval by the Administrator of any required changes to the Internal Control System, or changes in surveillance deemed necessary by the Administrator. Member Browder seconded the motion. The motion was approved unanimously by voice vote.

The Board entertained a presentation by the Empress River Casino, supporting this licensee's request for a one year renewal of its owner's license. Mr. Kevin Larson, President of the Empress River Casino, presented highlights of the operations and expansion of Empress over the last three years. Mr. Larson stated that the pavilion has increased from 45,000 sq. ft. to 145,000 sq. ft. They have built three restaurants and made in excess of \$75 million in capital investments. He further stated that from June, 1992 through December 31, 1994 they have remitted to the state almost \$104 million in gaming and admission taxes. The Empress is currently the fourth largest employer in the Joliet area and annually expends almost \$48 million on employee salaries and benefits. Mr. Larson stated that the Empress has contributed to the development needs of the local economy by supporting local charitable causes and by providing grants to local government bodies. The Empress has also sponsored various program improvements at Joliet West High School.

Art Schultz, Mayor of Joliet and John Mezera, City Manager of Joliet spoke on behalf of the Joliet City Council, the City Administration and the Citizens of Joliet stating their full support for the relicensure of the Empress River Casino.

Mr. Andy Duggan, Director of Finance with Harrah's Casino Cruises, Joliet, requested placement on next months agenda for approval of the Promus Companies, Inc.'s intent to transfer stock from Harrah's Club to a newly formed Harrah's operating company. This transaction will occur on or about June 30, 1995.

The next order of business concerned Supplier's Licensure Items.

Mr. Joseph Duellman, President of Aerie Hotels and Resorts, requested renewal of their supplier's license. Aerie provides management services to HP, Inc. doing business as the Silver Eagle Casino.

Member Pyatt moved that the Board approve Aerie Hotel and Resorts Inc.'s application for renewal of its Supplier's License. Member Browder seconded the motion. The motion was approved unanimously by voice vote.

Mr. William Kunkle, representing Mikohn Gaming Corporation, requested renewal of their Supplier's License.

Member Browder moved that the Board approve Mikohn Gaming Corporation's application for renewal of its Supplier's License. Member Vickrey seconded the motion. The motion was approved unanimously by voice vote.

Member Pyatt moved that the Board approve Sigma Games Inc.'s application for renewal of its Supplier's License. Member Browder seconded the motion. The motion was approved unanimously by voice vote.

The next order of business concerned Occupational Licensure.

Member Browder moved that the Board adopt the staff recommendation to deny Thomas O'Donnell's application for an Occupational License, Level 1. Member Pyatt seconded the motion. The motion was approved unanimously by voice vote.

Member Browder moved that the Board adopt the staff recommendations to approve 147 applications for an Occupational License, Level 2, to approve 271 applications for an Occupational License, Level 3 as well as the staff recommendations to deny two applications for an Occupational License, Level 2, and to deny three applications for an Occupational License Level 3.

Member Vickrey seconded the motion. The motion for these approvals and denials was approved unanimously by voice vote.

The next order of business concerned Administrative Hearings.

Member Pyatt moved that the Board, having reviewed the administrative record, adopt the findings of fact and conclusions of law as stated in the recommendation of the Administrative Law Judge and deny the application for an occupational license for Dan Governale. Member Roberts seconded the motion. The motion was approved unanimously by voice vote.

Member Pyatt moved that the Board, having reviewed the administrative record, adopt the findings of fact and conclusions of law as stated in the recommendation of the Administrative Law Judge and deny the application for an Occupational license for Jimmy Walker. Member Roberts seconded the motion. The motion was approved unanimously by voice vote.

Member Pyatt moved that the Board, having reviewed the administrative record, adopt the recommendation of the Administrative Law Judge and withdraw the Amended Disciplinary Complaint filed against Duncan LaChapelle. The complaint sought to suspend Mr. LaChapelle's license for ten days. However, Mr. LaChapelle has relinquished his license to the Board and no longer is employed within the jurisdiction of the Board. Member Roberts seconded the motion. The motion was approved unanimously by voice vote.

Member Pyatt moved that the Board grant to Linda Mack and to Terrie Powell leave to reapply for an occupational license within one year of today's date. Member Roberts seconded the motion. The motion was approved unanimously by voice vote.

The next order of business concerned Complaints and Disciplinary Actions.

The Administrator stated that a twelve year old youth was found at a craps table, throwing dice at the Hollywood Casino-Aurora, Inc. The individual was in the accompaniment of two adults, one a step-father and the other a purported uncle. This minor had been in the Hollywood Casino for a period of approximately three hours. The Administrator further stated that the step-father (Robert Brio) and the uncle (Robert P. Mitchell) were sent notice that they have been banned from all Illinois riverboats. Mr. Brio was charged in criminal proceedings and plead guilty to Contributing to the Delinquency of a Minor and was fined \$150.

Richard Knight, V.P. and CEO of Hollywood Casino-Aurora, Inc. ("HCA"), outlined for the Board the actions HCA has taken since this incident occurred. HCA has instituted a hand stamp policy in which anyone looking 25 years or younger would have their identification checked at the admission gate and a hand stamp attached. They have also increased security at all boarding areas and are in the process of instituting further education for security and other employees of the riverboat.

Chairman Johnson asked the Administrator to review the processes each of the licensees utilize to assure that underage gambling does not occur. He asked that the Administrator work with the enforcement staff and the owner licensees to see that every system that can be in place is in place to assure this does not happen again.

Member Pyatt moved that the complaint for disciplinary action against Hollywood Casino-Aurora be issued and that Hollywood be fined in the amount of \$150,000. The complaint involves the entry of a twelve year old into an area of the City of Lights II where gambling was being conducted and the placement of a wager on the City of Lights II by this minor. Member Browder seconded the motion. The motion was approved unanimously by voice vote.

Member Pyatt moved that the complaint for disciplinary action against Mamoon Balbaky be issued and that his license be revoked. The complaint involves his taking of money not due him while gambling at the Harrah's casino. Member Browder seconded the motion. The motion was approved unanimously by voice vote.

Member Pyatt moved that the complaint for disciplinary action against Susan Ruggeberg be issued and that her license be revoked. The complaint involves her refusal to return to the Harrah's casino money which she knew or should have known was stolen. Member Browder seconded the motion. The motion was approved unanimously by voice vote.

There being no further business to come before the Board, Member Pyatt moved that the Board stand adjourned. Member Browder seconded the motion. The motion was approved unanimously by voice vote and the Board stood adjourned at 1:26 p.m.

Respectfully Submitted,

Susan A. Offord
Secretary of the Board